

Is there any wonder the Duma said, "No way"?

Mr. Speaker, our policies failed. We failed to help Russia establish a true democracy, a strong president, and Yeltsin could have been for the long term a strong President, ended up not being a strong President. And a strong parliament, one that could work in tandem, as we have in this country, a check and a balance.

Instead, we put all of our eggs into Yeltsin's basket, and we ended up with a basket of broken eggs, and now we are being asked to pay the price, and it is not small chicken feed, Mr. Speaker. Twenty billion dollars at a minimum into Russia's economy.

Is there any benefit to the Russian people? I would say no.

Three hundred million dollars for the coal industry to help Russian coal miners; where did that money go? It ended up lining somebody's pocket, building some residences on the French Riviera, buying real estate property in America, and leaving the Russian people holding the bag to pay all that money back.

And where was America? Where was America telling the Russians the tough things they had to hear?

When we saw the Russians transferring technology, we did not have to embarrass Boris Yeltsin. We simply had to offer him our help to work with him to identify the people selling this technology and to tell him we are going to take efforts to go after those companies. We do that in America all the time. If a company in America is illegally selling products to nations that are unstable, we make no hesitation about punishing them. I do not care if they are in my district or not. I want them punished. The same thing should have applied in Russia. If we had entities that we knew were violating arms control agreements, we should have punished them, and we should have been consistent, and we should have been fair, and we should have showed them that our goal was not to embarrass Yeltsin, it was not to embarrass Russia. It was to stop proliferation to nations like Iran, Iraq, Syria, Libya, and North Korea. That is the problem.

And when we saw the IMF money being drained away, we should have told President Yeltsin that we are not going to tolerate this, we are not going to stand for this. But what did we do? We turned our head. We turned our cheek.

There is a report running in the media that Vice President Gore was given at least one major CIA brief that linked Chernomyrdin directly to corruption in Russia. The Vice President is a good friend, was a good friend of Chernomyrdin, wrote across that document: Bull, and you complete the rest, and sent it back to the CIA. He did not want to hear it; he did not want to hear the facts.

We wonder why Russia is an economic and political basket case today,

Mr. Speaker. Our policies encouraged the kind of disarray that we are currently seeing in Russia's economy.

There is an alternative way, Mr. Speaker, and as we begin hearings on who lost Russia, as we saw the New York Times 3 weeks ago on a front-page magazine story on who lost Russia and then followed that up with a Washington Post story this past weekend, and as the Congress begins to hold hearings on this whole issue, and by the way, Mr. Speaker, I think that Congress also has to bear some of the responsibility, and that includes my own party, and as I said before, some of these policies started under President Bush, so I am not saying it is all partisan, but I can tell you this President and his administration have exacerbated the problem unbelievably.

But how do we solve it? Well, there are some solutions.

Mr. Speaker, I am Russia's toughest critic, but I am Russia's best friend. I have been there 19 times. I know the Russian people; I know their leaders. When I saw the possibility that this Congress would not support more IMF funding and that Russia perhaps could have a meltdown, complete meltdown, with a major nuclear force still in place, more destabilized today than any point in time under communism because under communism they had discipline, they had the rule of law, they did not have the corruption they have today. Today they have corruption, they do not have the rule of law, and they have instability.

So I was concerned that I needed to get our colleagues to support the President even though I disagree with the positions he was taking in terms of IMF funding. So I went to Moscow and arrived the day the President left a year ago, and I took with me, Mr. Speaker, a set of eight principles because I knew the Duma was opposed to IMF funding just as the Congress was.

Now you might say why would the Russian Duma be against us putting another \$4 billion in the Russian economy. Well, why? Because the Duma knew Yeltsin's cronies and friends, and they were going to be left to hold the bag to pay the bill, and they were going to be asked to pass the reforms and had no say in where the money was going or how it was being spent. That is why they opposed IMF funding.

So I said to my Duma friends, "Here are eight principles. Look at these eight principles. If you can agree with these principles, I will go back to Washington, to my leadership in Congress, and I'll see if they'll agree that you pass these principles in the Duma in the morning," since it was an 8-hour time difference, "and we'll pass these eight principles in the Congress in the afternoon on the same day. These principles will guide all funding going into your country from the west, international funding, World Bank funding, funding from the IMF and U.S. funding, a billion dollars a year going to Russia."

What are the eight principles? Here they are, Mr. Speaker, in summary. I will put the full eight principles in the CONGRESSIONAL RECORD.

Number one, Mr. Speaker, that we establish a joint U.S.-Russian legislative oversight commission of elected officials to monitor every dime of money going into Russia, not to say where it should go; that is up to administrations; but to monitor where it is going. Today there is no such capability, and much of the money is being siphoned off illegally, and the Russian Duma has no ability to monitor what Yeltsin does with the money or his people. So establish a legislative oversight commission, Democrats and Republicans joining with all the factions of the Duma and the Federation Council and monitor where the money is going.

Number two, to focus our resources on programs like housing mortgages that benefit and create a Russian middle class. If you look at America's economy, our success economically is because when housing starts are up, our economy is strong, and our housing starts are up when mortgage rates are low. Russia has no mortgage system. Three years ago, Charles Taylor and I went to Moscow and we said to the Russian leaders, "Work with us on a private mortgage program like our Freddie Mac and Fannie Mae, and if you agree to our tight discipline, we will go to the Congress and try to get some seed money." The Duma deputies agreed.

Here is the document we produced, Mr. Speaker, 2 years ago: Housing For Our People, a picture of the Capitol Building and the Duma. You know there is no White House in either picture? There is no Washington White House, and there is no White House where President Yeltsin works. It is the two capital buildings. It is where the two parliaments work, the parliaments of the Duma wanting to establish a private, western style housing mortgage financing system.

Our goal was in this second principle to say that programs that encourage a middle class are what we should be providing funds for.

Number three, that we should agree that western resources should be made available to reform-minded regional governments. Russia is a large Nation, over 60 States and oblasts, and many of the regions are doing good things. They are privatizing their property, they are collecting more taxes, they are having people pay for their utilities. But because all the money went through Yeltsin in Moscow, those regions were not being recognized and rewarded. The money was being siphoned off to Yeltsin's cronies, and the regions who are reforming were standing there saying, "We're doing the things you told us, America; when are you going to help us?" And the help never came, and our policy was let us focus on regions where they are doing good things and help them continue to do good things.

All around Russia, out in Siberia, Vladivostok, St. Petersburg, Nizhni-